

FRANK R. WOLF

10TH DISTRICT, VIRGINIA

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House of Representatives
April 8, 2003***IB Docket No. 02-286*241 CANNON HOUSE OFFICE BUILDING
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Mr. Michael Powell
Chairman, Federal Communications Commission
445 12th St NW
Washington DC 20554

Dear Mr. Powell:

I am concerned by newspaper articles regarding the proposed sale of Global Crossing, Ltd., to Hong Kong-based Hutchison Whampoa, Ltd.

These articles indicate that the Defense Department and the Federal Bureau of Investigation have raised concerns regarding this proposed transaction, citing national security and law enforcement concerns. This sale would effectively put Global Crossing's fiber optics networks, which are used by the U.S. military, as well as other federal agencies, under Chinese ownership.

As you know, Global Crossing is currently under investigation for a variety of allegations of corporate malfeasance. The company's bankruptcy was the fourth largest in U.S. history resulting in 10,000 employees losing their jobs, their health care and life savings, including losses to investors totaling \$54 billion.

Even more disturbing are allegations based on declassified DoD intelligence reports that the billionaire owner of Hutchison Whampoa, Ltd. has extensive links to Beijing and is "willing to use his business influence to further the aims of the Chinese government." In addition, a subsidiary under Hutchison Port Holdings currently operates two ports on opposite ends of the Panama Canal.

This nexus to China is of great concern to me not only for the obvious national security reasons but also because China is one of the worst violators of human rights. These range from the brutal crackdown on religious minorities in Western Xinjiang province to the repatriation of North Korean refugees in the Eastern Yanjian Province to the arrests of Catholic priests, to mention a few. In addition, as the recent discovery of Chinese-made missiles in Iraq proves, China is also a major proliferator of missile-related weapons to rogue regimes around the world.

These facts alone should – based largely on declassified material – should give rise to serious concerns about the proposed sale of Global Crossing to Hutchison Whampoa, Ltd. One can only wonder about additional concerns that might be raised by a review of classified materials.

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Mr. Michael Powell
April 8, 2003
Page 2

That is why I am writing to voice my gravest concerns about the proposed sale. Under no circumstances should the proposed sale even be considered – much less approved – without a full and complete review of the facts involving this transaction. The potential risks to the security of this country as well as lasting damage to our reputation are far too great for this transaction to proceed.

I would appreciate a response from your department on this matter of great urgency.

Sincerely,

Frank R. Wolf
Member of Congress

FRW:sw

This sale of Global Crossing
should not take place.

Thank you —